

PROCEDURE 0410.05 Billing for State Provided Vehicle Use  
Revised June 30, 2003

SUBJECT: Billing for State Motor Vehicle Use

APPLICATION: Executive branch departments, subunits and other state operations that utilize state motor vehicles provided by Department of Management and Budget, Vehicle and Travel Services.

PURPOSE: To identify billing method.

CONTACT AGENCY: Department of Management and Budget (DMB)  
Agency Services  
Vehicle and Travel Services (VTS)  
P.O. Box 30026, 6951 Crowner Drive  
Lansing, Michigan 48909

TELEPHONE: Information 517/322-5000; Director 517/322-5001

FAX: 517/322-5100

SUMMARY: Departments are billed for use of state motor vehicles based on state motor vehicle type and miles driven.

APPLICABLE FORMS: VTS-2 – Vehicle Requisition/Termination

PROCEDURES:

- Charges:
  - All expenses associated with a particular state motor vehicle type or grouping of state motor vehicles are included in charges.
  - State motor vehicles are assigned to a VTS-defined billing code based on vehicle specifications and vehicle application.
  - Charges for a billing code are based on actual expenses associated with a particular state motor vehicle type or grouping of state motor vehicles.
- Billing:
  - Each department will receive invoices monthly. Billing for services is processed via MAIN/R\*STARS, using accounting information provided by the department.
  - Permanent Assignments
    - Permanently assigned state motor vehicles are charged a fixed fee and a mileage usage fee monthly.

- The fixed fee is based on the number of days during the month the state motor vehicle was assigned to the department.
- The mileage usage fee is based on the number of miles reported during the month, multiplied by the per-mile fee for the billing code the state motor vehicle is assigned.
- Seasonal Assignments
  - Seasonally assigned state motor vehicles are charged a fixed fee and a mileage usage fee monthly.
  - The fixed fee is based on the number of days during the month the state motor vehicle was assigned to the department.
  - The mileage usage fee is based on the number of miles reported during the month, multiplied by the per-mile fee for the billing code the state motor vehicle is assigned.
- VTS Motor Pool Assignments
  - State motor vehicles are charged a daily fixed fee and a mileage usage fee.
  - State motor vehicle charges are based on a 24-hour day, seven days a week cycle. The minimum charge is one day. The daily fixed fees are computed each year. Consult VTS for the current daily fixed fee rates.
  - The mileage usage fee is based on the actual miles driven during the assignment multiplied by the per-mile fee for the billing code the state motor vehicle is assigned.
  - Charges are distributed based on accounting information provided to VTS on either the electronic pool requisition form located on VTS' website or hard copy VTS-2 form.
- Short-term Private Motor Vehicle Rental
  - See Procedure 0410.02 for usage policy.
  - VTS will manage all short-term private motor vehicle rentals except as delegated to departments in writing. Contact VTS for a list of approved private motor vehicle rental companies.
    - Actual charges from the private rental company are billed to the department that rents the vehicle. Charges include daily vehicle rental charges, full insurance coverage charges, mileage charges and/or other charges detailed by the rental company.
    - The vehicle user pays for actual fuel charges. The driver is reimbursed by submitting the actual fuel charges on a travel reimbursement request to their department.
    - Employees who have received prior approval from their department to rent a motor vehicle from a private motor vehicle rental company while in travel

status are reimbursed by submitting the motor vehicle rental charges and actual fuel charges on a travel reimbursement request to their department.

\* \* \*